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MEMORANDUM

TO: **The Honorable Jeffrey Gossett**
 South Carolina Senate

FROM: **Thomas C. Alexander**

DATE: **May 6, 2011**

RE: **Public Utilities Review Committee Screening of Candidates for**
 Appointment to the Santee Cooper Board of Directors

On March 3, 2011, the Governor submitted the names of the candidates shown below for the Senate's consideration for appointment to the Board of Directors of the South Carolina Public Service Authority (Santee Cooper). The appointments were referred to the Judiciary Committee on March 16, 2011.

Horry County Seat:	David F. Singleton (Initial Appointment)
Third Congressional District Seat:	Kristofer Clark (Initial Appointment)
Fifth Congressional District Seat:	James R. Sanders, Jr. (Initial Appointment)
Sixth Congressional District Seat:	John Calhoun Land, IV (Reappointment)

Pursuant to Section 58-3-530(14), the State Regulation of Public Utilities Review Committee (Review Committee) is charged with the duty "to review candidates for appointment to the South Carolina Public Service Authority Board of Directors as submitted by the Governor to determine whether the candidates meet the qualifications set forth in Section 58-31-20."

Section 58-31-20(C) provides that Santee Cooper directors “must possess abilities and experience that are generally found among directors of energy utilities serving this State and that allow him to make valuable contributions to the conduct of the authority’s business.” These abilities include:

- (1) general knowledge of the history, purpose, and operations of the Public Service Authority and the responsibilities of being a director of the authority;
- (2) the ability to interpret legal and financial documents and information so as to further the activities and affairs of the Public Service Authority;
- (3) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations including, but not limited to, Chapter 4 of Title 30 as they relate to the activities and affairs of the Public Service Authority; and
- (4) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of the Public Service Authority.

Additionally, pursuant to Section 58-31-20, directors representing the counties of Berkeley, Georgetown, and Horry must reside in those counties and be customers of Santee Cooper.

Serious challenges face energy utilities today. On the federal level, regulations are being considered that could dramatically impact the rates charged by electric utilities. The U.S. Environmental Protection Agency is considering regulations to address emissions of greenhouse gases, particularly carbon dioxide. Proposed regulations may result in electric utilities that rely on greenhouse gas emitting facilities, mostly coal-fired generation facilities, to pay a surcharge for continuing their use of coal-fired plants. Santee Cooper could be more severely impacted by these proposed regulations than other utilities because of its significant reliance on coal to generate electricity. In 2010, seventy-eight percent of Santee Cooper’s electricity was generated by coal plants.

Section 58-31-55 requires that a Santee Cooper director must discharge his duties in good faith, with the care of an ordinarily prudent person and in a manner he reasonably believes to be in the best interests of Santee Cooper (“best interests” are determined by balancing three factors: customer interest, economic development of service area, and preservation of financial integrity of Santee Cooper). Directors are subject to personal liability for violating Section 58-31-55, and wholesale and retail customers of Santee Cooper (including indirect customers of Santee Cooper through electric cooperatives) are authorized to bring suit against any director alleging a breach of fiduciary duties.

A Board of Directors has a general duty to act in the best interests of a corporation. Such fiduciary duties include the duty of loyalty and the duty of care.¹ The duty of loyalty provides

¹ In the typical corporate setting, these duties extend to the shareholders, as owners of the corporation. Santee Cooper, as a public utility, is a quasi-state agency; thus, the board owes duties not to shareholders, but to its

that directors and officers must remain loyal to the corporation, acting at all times in the best interests of the corporation and its shareholders whose interests must take precedence over any self-interest of the director, officer, or controlling shareholder that is not shared by the stockholders generally. The duty of loyalty includes the duty to avoid conflicts of interest and prohibit faithlessness and self-dealing. The duty of care requires a director to act in good faith and with the level of care of an ordinarily prudent person in similar circumstances.

The Review Committee sent the candidates submitted for initial appointment a set of questions to elicit information with respect to their knowledge of the operations of Santee Cooper, their knowledge of best practices for boards of directors, and their knowledge of the Freedom of Information Act (FOIA). The Review Committee sent Mr. Land, the candidate for reappointment, a set of questions tailored to a candidate who is a sitting director. The candidates appeared before the Santee Cooper Screening Subcommittee on April 12, 2011 and answered further questions from the Subcommittee on those issues and others. The transcript of the hearing, which include the candidates' written responses, is appended to this report by reference and is posted on the General Assembly's website at www.scstatehouse.gov/citizensinterestpage/PublicUtilitiesReviewComm/SanteeCooperScreening.html. The Review Committee met on May 3, 2011 to consider the Subcommittee's report and to make a determination regarding the candidates' qualifications.

FINDINGS AS TO QUALIFICATIONS

The Review Committee finds that the candidates for appointment to the Santee Cooper Board of Directors, David F. Singleton (Horry County Seat); Kristofer Clark (Third Congressional District); James R. Sanders, Jr. (Fifth Congressional District); and John Calhoun Land, IV (Sixth Congressional District), meet the required legal qualifications and finds the candidates qualified for appointment to the Santee Cooper Board of Directors.

DAVID F. SINGLETON
SANTEE COOPER BOARD OF DIRECTORS
SEAT: Horry County
TERM: MAY 19, 2009 THROUGH MAY 19, 2016

Review Committee's Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Singleton meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Mr. Singleton is a resident of Myrtle Beach, South Carolina. He has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State.

2) Educational Background

Mr. Singleton received an undergraduate degree from the University of South Carolina in 1984 and graduated from the University of South Carolina School of Law in 1987. He became a member of the South Carolina Bar in 1987.

3) Ethical Fitness, Character, and Reputation

The Review Committee's investigation did not reveal any evidence of unethical conduct by Mr. Singleton and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Singleton has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Singleton has served as the president of Singleton Properties since 1987, where he is involved in real estate investments and sales. He is also the managing member for Singleton Properties, Inc. From 1993 to 2005, he was involved in the operations of Belle Terre Golf Course, a real estate development company and 36-hole full service golf course complex.

Mr. Singleton currently serves on the Grand Strand Water and Sewer Authority, of which he has been on the board since 1994. He has also served on the Board of Directors for the Coastal Educational Foundation, Inc., since 2000.

Mr. Singleton has been a managing member of Eastern Shores Realty Holdings, LLC and Buckingham Realty Holdings, LLC since 2005. He has been a managing member of Columbus Farms Realty Holdings, LLC since 2006. He has also served as secretary and manager of Kingsland, Inc., since 1983.

5) Statutory Requirements

Under Act 137 of 2005 (S. 573), the Review Committee is required to determine if Mr. Singleton has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;
- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Singleton's responses to written and oral questions indicate he familiarized himself with the operations and activities of Santee Cooper.

In addition to Mr. Singleton's education and professional background described in item (4), he was given the opportunity to describe what experience he could bring to a utility board. He stated: "I feel like that my business experience in conjunction with my legal education and the underpinnings there, also with my experience as serving on the board of directors for the Grand Strand Water and Sewer Authority for 17 years, which like Santee Cooper is a quasi state-owned--it's quasi governmental, rather, entity, as well as served for 11 years as--on the board of directors for the Coastal Educational Foundation and president of that organization for two years, that experience has--has taught me a lot and reinforced a lot about corporate governance." Tr. p. 8, 1.6-17.

When asked if he had any unique traits or experience that would be beneficial to the Santee Cooper board, he replied that his business experience, from managing a "golf course complex [that] was a 12 and a half million dollar enterprise," his other real estate experience, service on the Grand Strand Water and Sewer Authority and the Coastal Educational Foundation provided him with a broad business experience and a broad view. See Tr. p. 38, l. 14-25. He further stated:

But most important would be Grand Strand Water and Sewer Authority. While the Coastal Educational Foundation is a great board and it's--and it's taught me a lot as well, Grand Strand is a special district purpose. It's--it's a quasi governmental entity similar to Grand Strand. And I think with regard to--you know, but for water, sewer and power you don't have much development and economic growth, and there's a huge emphasis on keeping the rates low and the quality high. And as with Santee Cooper it's a --public, and so there's a lot of attention given to FOIA and--and those types of issues. Tr. p. 38, l. 21 through p. 12, l. 8.

Mr. Singleton's responses to written questions indicate that he would utilize the assistance of counsel when needed to apply federal state laws, rules and regulations, including the Freedom of Information Act, and for better understanding and application of judicial decisions. His written and oral responses also indicate that he is familiar with the requirements of the Freedom of Information Act.

6) Knowledge of Current Energy Issues

Mr. Singleton has a good understanding of Santee Cooper's mix of generation facilities, the age and remaining life of its facilities and the attendant challenges presented by the those factors, as indicated below:

The primary challenge is--because of the age of the fleet is relatively new, the rapidity with which Congress acts could have very detrimental effects in that if you take an asset that's--should be depreciated over 20 years and depreciate it for three years--then the primary way that you normally offset that is to raise rates and pass that cost on to the customers....

And in the view of the high/low situation in South Carolina being a relatively high power usage because of our climate in conjunction with a relatively low per capita income as compared to a state like California, that the--the increase in rates would be disproportionately disadvantageous to South Carolina and states similar to South Carolina. Tr. p. 9, l.22 - p. 10, l.20.

When questioned about long-term planning in an era of uncertainty, Mr. Singleton responded:

I think it has to be approached from a standpoint of realizing that there's a lot of uncertainty, and Santee Cooper needs to be nimble and responsive to things as they change.

The immediate two issues that I see on the horizon are the rules and regulations and laws that have come out--that will come out of Washington based on what we're currently hearing that will further restrict emissions of sulphur oxide and--CO2 and things of that nature. So that may cause some additional capital expenditures.

And I think it's easy in our current economic downturn to lose sight of the fact that--that in the medium-term and long-term South Carolina is going to continue to be a huge growth state and that the growth will recur when this economic problem subsides. So we're going to have a lot of increased demand out there in conjunction with more stringent rules and regulations. Tr. 16, l.22-p. 17, l.17.

7) Knowledge of Santee Cooper's Other Roles

Mr. Singleton's written and oral responses demonstrate that he has a good understanding of Santee Cooper's various roles, including economic development and service as a water utility. He views Santee Cooper's role in economic development as "very aggressive and

very proactive” while balancing that role with its charge “with protecting the environment”, including lake and resource management. See Tr. p. 20, 1.2-23.

Mr. Singleton stated that he believed the primary purposes of Santee Cooper are “to generate reliable, cost effective energy for its customers, to be a good custodian of the environment, to be very pro development, to have excellent customer service, to provide excellent management.” Tr. p. 28, 1.15-19.

8) Independence

Mr. Singleton stated he did not believe a director’s ideological or political beliefs should play a role in making a decision. See Tr. p. 32, 1.5-8.

Findings as to Overall Qualification

Mr. Singleton has been nominated to serve as the director representing Horry County on the Board of Directors of Santee Cooper. The Review Committee believes Mr. Singleton possesses the depth of experience to enable him to be a successful member of the Santee Cooper Board of Directors, and the Review Committee finds him qualified.

KRISTOFER CLARK
Santee Cooper Board of Directors
SEAT: THIRD CONGRESSIONAL DISTRICT
TERM: MAY 19, 2005 THROUGH MAY 19, 2012

Review Committee's Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Clark meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Mr. Clark resides in Easley, South Carolina. Mr. Clark has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State.

2) Educational Background

Mr. Clark received an undergraduate degree in Business Administration from The Citadel in 2001 and is currently pursuing his MBA from Clemson University. Mr. Clark received a South Carolina residential builders license in 2003 and a South Carolina real estate sales license in 2005.

3) Ethical Fitness, Character, and Reputation

The Review Committee's investigation did not reveal any evidence of unethical conduct by Mr. Clark and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Clark has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Clark has worked in various capacities with The Cliffs Management Services, LLC, ("The Cliffs") since 2003. He has been the senior director of operations for The Cliffs since 2008. Prior to 2008, he served as the director of community services from 2006 to 2008; from 2003 to 2006, he was the manager of property owner services; and from 2001 to 2003, he was the residential construction coordinator. During his employment at The Cliffs, Mr. Clark has been "responsible for the architectural review board and property owners associations for several properties on Lake Keowee similar to some properties that are under the management of Santee Cooper." Tr. 49, 1.19-23. Mr. Clark is also the owner of Pristine Properties, LLC.

Mr. Clark is also a trustee for the Connie Maxwell Children's Home and serves as Deacon Chairman and the Building Committee Chairman for Nine Forks Baptist Church.

5) Statutory Requirements

Under Act 137 of 2005 (S.573), the Review Committee is required to determine if Mr. Clark has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;
- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Clark's responses to written and oral questions indicate he familiarized himself with the operations and activities of Santee Cooper.

In addition to Mr. Clark's education and professional background described in item (4), he was given the opportunity to describe what experience he could bring to a utility board of directors. He states "my experience with lake developments would bring a new aspect to the board that perhaps isn't there now." Tr. p. 72, 1.5-7.

Mr. Clark has been responsible for preparing budgets and reviewing financial documents throughout his employment. See Tr. p. 68, 1.8-14. He acknowledges that Santee Cooper board members should "understand their expertise and--and not try to be experts in an area that they're not familiar with. They do have legal counsel they can rely on...". Tr. p. 65, lines 19-23.

Mr. Clark's responses to written and oral questions indicate that he would utilize the assistance of counsel when needed to apply federal state laws, rules and regulations, including the Freedom of Information Act, and for better understanding and application of judicial decisions. His written responses also indicate that he familiarized himself with the requirements of the Freedom of Information Act.

6) Knowledge of Current Energy Issues

Mr. Clark has a good understanding of Santee Cooper's mix of generation facilities, the age and remaining life of its facilities and the attendant challenges presented by these factors as indicated below:

...The primary [baseload generation], coal, produces a lot of CO₂, and the EPA regulating CO₂ and carbon emissions would have a large impact on their ability to produce energy.

If they tax the coal, obviously that would have an impact on South Carolina, mainly the ratepayers.

If they choose to change their generation mix to overcome the--the clean energy mandate, then there will be significant loss in capital due to the--the amount of investment they have in the coal-burning facilities, coal-fired facility. They still have a book value of 30 years....

Tr. p. 51, 1.5-14

Mr. Clark also discussed the difficulty of long-term planning for Santee Cooper. He commented on the length of time it takes to plan and construct nuclear facilities, along with the added complications of planning long-term in an uncertain economy and its effect on economic development and demand for electricity. See Tr. p. 57, 1.13-20.

7) Knowledge of Santee Cooper's Other Roles

Mr. Clark's written and oral responses demonstrate that he has a good understanding of Santee Cooper's various roles, including economic development and service as a water utility. He stated that Santee Cooper "has been a resource for South Carolina" and has "improved the quality of life for South Carolina. It's improved economic development, created jobs." Tr. p. 60, 1. 15-18. He also acknowledged that Santee Cooper is responsible for managing Lake Moultrie and Lake Marion. Tr. p. 61, 1.5-7. He stated "it's very important to maintain those lakes in a way that will allow the--the recreation to happen, and also it has a big impact on our economy." Tr. p. 76, 1.21-24.

8) Independence

Mr. Clark's oral and written responses indicate that a director's ideological or political beliefs should not play a role in decision making. See Tr. 70, 1.18-21. In his written response to Question #3, he stated "It is critical that each board member act in ways that are independent of any political ideologies, outside agendas, or relationships."

Findings as to Overall Qualification

Mr. Clark has been nominated to serve as the director representing the Third Congressional District on the Board of Santee Cooper. The Review Committee believes Mr. Clark possesses the depth of experience to enable him to be a successful member of the Santee Cooper Board of Directors, and the Review Committee finds him qualified.

JAMES R. SANDERS, JR.
SANTEE COOPER BOARD OF DIRECTORS
SEAT: FIFTH CONGRESSIONAL DISTRICT
TERM: MAY 19, 2009 THROUGH MAY 19, 2016

Review Committee's Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Sanders meets the general qualifications prescribed by law for service as a Director for Santee Cooper. Mr. Sanders is a resident of Gaffney, South Carolina. Mr. Sanders has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State.

2) Educational Background

Mr. Sanders received a Bachelors of Science degree in Industrial Management from Clemson University in 1970. He has been licensed for heating, air conditioning, and plumbing contractors in South Carolina and North Carolina since the middle 1970's. Mr. Sanders obtained heating and air conditioning licenses in Georgia and Virginia and a plumbing license in Virginia by reciprocal agreements.

3) Ethical Fitness, Character, and Reputation

The Review Committee's investigation did not reveal any evidence of unethical conduct by Mr. Sanders and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Sanders has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Sanders attended the Trane HVAC school in 1971. He then returned to the family mechanical contracting business, Sanders Brothers, where he initially worked as a helper and advanced to become President of the company. The company was sold in 1999.

Mr. Sanders has served on the Board of Directors of Hamrick Mills since 1997. He has also served on the Board of Directors of First Piedmont Federal since 1998. Mr. Sanders has served as a general partner of Sanders Properties, LLC, a real estate development and management company, since 1998. He has also served as president of Development & Construction, LLC, a real estate development and construction company, since 2007.

Mr. Sanders was appointed to the South Carolina Commission on Higher Education in 2004 and served until his resignation on March 2, 2011.

5) Statutory Requirements

Under Act 137 of 2005 (S.573), the Review Committee is required to determine if Mr. Sanders has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;
- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Sanders' responses to written and oral questions indicate he familiarized himself with the operations and activities of Santee Cooper.

In addition to Mr. Sanders' education and professional background described in item (4), he was given the opportunity to describe what experiences he could bring to a utility board. He stated, from a "business standpoint, I was president of a--one of the top 40 largest industrial companies in South Carolina. So I have background in financing, accounting, business management, those types of issues." Tr. p. 84, l.8-12. Mr. Sanders has many years of experience reviewing financial documents due to his business experience and service on various boards, including Piedmont Federal Savings and Loan. See Tr. 109, l. 11-21.

Mr. Sanders' responses to written questions indicate that he would utilize the assistance of counsel when needed to apply federal state laws, rules and regulations, including the Freedom of Information Act, and for better understanding and application of judicial decisions. His responses also indicate that he familiarized himself with the requirements of the Freedom of Information Act.

6) Knowledge of Current Energy Issues

Mr. Sanders has a good understanding of Santee Cooper's mix of generation facilities, the age and remaining life of its facilities and the attendant challenges presented by those factors. During the Subcommittee hearing, he spoke about possible EPA regulations, the uncertainty of what regulations will be implemented, and the potential impact on Santee Cooper of regulating emissions from coal powered generation. See Tr p. 85, l.18- p. 86, l.5. In trying to make decisions for long-term planning, he states "it's hard to plan when you don't know what regulations that you're going to be dealing with. However, I think it's a pretty--pretty sound assumption that the...carbon-free or carbon less generation is

going to be required in some form. So you have to be flexible. You have to make the best decision that you have based on all information that you can glean..." Tr. p. 86, l. 15-23.

Although Mr. Sanders' former business was sold in 1999, that business had some dealings with electric issues. For example, the business "designed and built diesel peak shaving stations," built casings for gas turbines pursuant to an agreement with Asea Brown Boveri (since purchased by Austin Power), and worked with several companies such as Milliken, DuPont, and BMW for energy conservation systems. See Tr. p. 102, l.17 through p. 104 l.9.

7) Knowledge of Santee Cooper's Other Roles

Mr. Sanders' written and oral responses demonstrate that he has a good understanding of Santee Cooper's various roles, including economic development and service as a water utility. He believes the lakes that Santee Cooper manages are a resource to be utilized for hydroelectric power, recreation and businesses around the lake; he also believes there needs to be a balance in how to utilize these resources. See Tr. p. 119, l.7 through p. 122, l.19

8) Independence

Mr. Sanders stated that although everyone holds certain beliefs that may influence a decision, decisions should be made "based on the best decision of Santee Cooper." Tr. p. 112, l. 15-23.

Findings as to Overall Qualification

Mr. Sanders has been nominated to serve as the director representing the Fifth Congressional District on the Board of Directors of Santee Cooper. The Review Committee believes Mr. Sanders possesses the depth of experience to enable him to be a successful member of the Santee Cooper Board of Directors, and the Review Committee finds him qualified.

JOHN CALHOUN LAND, IV
Santee Cooper Board of Directors
SEAT: SIXTH CONGRESSIONAL DISTRICT
TERM: MAY 19, 2006 TO MAY 19, 2013

Review Committee's Findings: Qualified

1) Constitutional and Statutory Qualifications

Mr. Land meets the general qualifications prescribed by law for service as a Director of Santee Cooper. Mr. Land is a resident of Manning, South Carolina. Mr. Land has been a resident of South Carolina for at least the immediate past five years and is a qualified elector of this State.

2) Educational Background

Mr. Land received an undergraduate degree from The Citadel in 1990 and graduated from the University of South Carolina School of Law in 1993. He became a member of the South Carolina Bar in 1993.

3) Ethical Fitness, Character, and Reputation

The Review Committee's investigation did not reveal any evidence of unethical conduct by Mr. Land and did not reveal evidence of any convictions or criminal allegations made against him. Mr. Land has good standing in his community as well as a personal history of sound business affairs.

4) Professional Experience and Training

Mr. Land has been an attorney with Land, Parker & Welch, P.A. since 1994. He was a judicial clerk for the South Carolina Judicial Department from 1993-1994.

Mr. Land has served on the Public Service Authority Board of Directors since 1999. Since 2000, Mr. Land has served on the following subcommittees:

- Central Santee Cooper Executive Committee;
- Executive Corporate Planning Committee;
- Finance Committee;
- Human Resources Committee (past chairman);
- Legal Affairs Committee (current chairman);
- Property Committee;
- Nuclear Oversight Committee;
- Contributions Committee;
- Palmetto Economic Development Corporation Board of Trustees.

Mr. Land also served as First Vice-Chairman of the Board of Directors in 2002 and 2003.

5) Statutory Requirements

Under Act 137 of 2005 (S.573), the Review Committee is required to determine if Mr. Land has:

- a) working knowledge of the activities and affairs of Santee Cooper;
- b) the ability to interpret legal and financial documents and information;
- c) with the assistance of counsel, the ability to understand and apply federal and state laws, rules, and regulations as they relate to Santee Cooper, including the Freedom of Information Act; and
- d) with the assistance of counsel, the ability to understand and apply judicial decisions as they relate to the activities and affairs of Santee Cooper.

Mr. Land's responses to written and oral questions reflect he has working knowledge of the operations and activities of Santee Cooper. He is the longest serving member on the current Board of Directors. Mr. Land's involvement on various subcommittees throughout his tenure, as well as commendable attendance record at board meetings, not only demonstrate his capacity to meet the above statutory requirements, but also his commitment to serving on the board.

6) Knowledge of Current Energy Issues

Mr. Land understands and appreciates the challenges faced by Santee Cooper in the event the country transitions to a carbon constrained economy as a result of the vast majority of Santee Cooper's power being produced by a carbon-emitting fuel. He also appreciates the effect of the economy and its impact on generation costs and demand for electricity, and the difficulties these present for long-term planning. He believes the top three issues facing Santee Cooper and its current generation mix are: (1) fuel costs; (2) environmental concerns, particularly greenhouse gas emissions, and potential regulation of and related costs for those emissions; and (3) future electric generation. See Tr. p. 139, l.6 through p. 144, l.15. Mr. Land also spoke briefly about the V.C. Summer plant and future plans for the transfer of energy and ownership in the plant, as well as the former plans for the Pee Dee coal facility. See Tr. p. 152, l.21 through p. 160, l.14; See also Tr. p. 183, l.8 through p. 187, l.9.

Mr. Land also spoke about the recent rate increase for Santee Cooper customers and factors that led to that decision. Over the years, Santee Cooper was able to absorb costs, but with the increased need for generation, along with rising costs of fuel and construction costs, it was no longer able to manage the costs without raising the rates. See Tr. p. 146, l.18 through p. 148, l.3.

7) Knowledge of Santee Cooper's Other Roles

Mr. Land is knowledgeable about Santee Cooper's roles outside of electricity generation and distribution. Santee Cooper's current economic development involvement includes the American Gypsum plant which was a "direct result of Santee Cooper being around" and Santee Cooper's participation in the Palmetto Economic Development Corporation. See Tr. p. 165, l.21 through p. 167, l.4. He also discussed Santee Cooper and its role in property management. See Tr. p. 169, l.7 through p. 177, l.14 and Tr. p. 178, l. 2 through p. 181, l. 21.

8) Independence

During Mr. Land's tenure on the Santee Cooper Board of Directors, he has served with six board chairmen, three CEO's and 38 different board members. In his written response to Question #4, he stated "The stakeholders of Santee Cooper, including those who hold Santee Cooper debt, customers of Santee Cooper, employees of Santee Cooper, and citizenry of South Carolina expect and deserve a director who will act in the best interest of the agency to which they have been appointed to serve."

Findings as to Overall Qualification

Mr. Land has been nominated to be reappointed as the director representing the Sixth Congressional District on the Board of Directors of Santee Cooper. The Review Committee believes Mr. Land possesses the depth of experience to enable him to continue to be a successful member of the Santee Cooper Board of Directors and the Review Committee finds him qualified.